

"Making Good Theories Work:"

A Study of Fairhope

Edward G. Lawrence  
Fairhope Seminar  
Paul M. Gaston  
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## Preface

Fairhope is unique. It is the only colony founded on the single tax theories of Henry George in the Nineteenth century. It came about at a time when there was a wave of colony building; however, the majority of these colonies were based on cooperative and socialist ideas and in general, did not survive for long periods of time. Fairhope, however, is still in existence, but it is not very well understood because today the idea of a utopian community carries with it the assumption that all or part of the community's property is held in common. This was not true for Fairhope and for that reason it makes for interesting study. Fairhope's plan was devised as a more just solution. Its designer, Ernest B. Gaston, hoped to create a model community that could overcome the problems encountered by the preceding attempts. Nevertheless, Fairhope was a response to the same perceived social injustices of the period and should not be viewed as an isolated case. While Fairhope was unique, to be fully understood it must be viewed in the proper historical context because it was in fact a product of the time.

### I.

The last three decades of the Nineteenth century were a time of crisis. Monetary panics and widespread economic depressions plagued the United States. For many the civil war was seen as a turning point in American history. As John L.

Thomas points out :

Defeat of the South . . . signaled the end of an agrarian civilization and the arrival of an urban industrial order marked by increasing inequality of wealth and power.<sup>1</sup>

The rapid industrialization the United States underwent seemed only to benefit the rich while the working classes fell deeper into poverty. The American dream had vanished; the outlook for the future was grim. These trying times forced many to examine the nature of the emerging society, and many began to search for alternatives to it. New modes of political action had to be explored because the political parties did not offer an antidote to the mounting social problems but, instead, simply reflected the split of North and South created by the war.

## II.

A new age of reformers responded to this crisis. They confronted the emerging paradox of the system: Why, with the progress of industrialization, did the mass of people fall deeper into poverty? They believed that the emerging system was doomed. They felt they were witnessing the decline of an empire, citing the Roman example, that could not be halted unless something was done to drastically change the system. Henry George and Edward Bellamy are two good examples of this

<sup>1</sup> Thomas, John L., Alternative America, p.2.

age of reformers, and through their writings they brought new hope to a generation of Americans, explaining the crisis and proposing remedies.

Henry George was the older of the two. His book, Progress and Poverty, was published in 1879. In it, he explored the impending social crisis and tried to determine why progress seemed to carry with it increased poverty. His analysis of the problem brought him to conclude that classical economics were in error because they served to create and support the emerging unjust system. He determined that the fault of the system lay in the land question. The private appropriation of rent represented an unearned increment of wealth. If this monopolization of land could be abolished, he thought equity and justice could be restored.

For George, labor was primary, and it was labor that created capital and not vice-versa. Once land were free he believed man would be able to reap the full benefit of his labor. George's solution was the single tax, a tax on the use value of land which he felt would eliminate land speculators and all others who profited solely from the labor of others, making it only profitable to hold land if it were in use.

George's argument was different from those who supported co-operation or socialism because he did not believe that the socialist division of society into labor and capital was correct, as he explained, "there is in reality no conflict between labor and capital; the true conflict is between Labor and Monopoly."<sup>2</sup> However, he in many ways envisioned the single

tax as creating the same goal of the socialists, " but not through socialist means."<sup>3</sup> All that was necessary was simply to convert Americans to the wisdom of his theory and apply it on a national basis.

George's primary effect was that of enlightening this new generation to the impending social crisis. While many cast aside his economics theories, his description of the paradox of the emerging society, that progress was accompanied by ever growing poverty, awakened the world. George Bernard Shaw described his first encounter with George in this manner:

The result of my hearing the speech, and buying from one of the stewards of the meeting a copy of Progress and Poverty for sixpence (heaven knows where I got the sixpence!) was that I plunged into a course of economic study, and at a very early stage of it I became a Socialist. . . . And that all the work was not mere gas, let the feats and pamphlets of the Fabian society attest. When I was thus swept into the great Socialist revival of 1883, I found tha five -sixths of those who were swept in with me had been converted by Henry George.<sup>4</sup>

Others agreed with Shaw. Fellow Fabian Sydney Oliver, for example, declared, "George had at least brought the social question into the general notice of others than the readers of Mill and Spencer, and for that I think he is to be thanked."<sup>5</sup> Prominent American reformers, such as Henry Demarest Lloyd, were also in agreement with George's depiction of the emerging system; however, in the 1880's, these reformers turned to

<sup>2</sup> ibid., p.229, from the Standard, "George's war with the Socialists".

<sup>3</sup> George, Henry, Progress and Poverty, p.456.

socialism as the answer in the same manner as Shaw and others had in England.

Socialism was first put into the context of the American experience by Laurence Gronlund. Gronlund's book, The Cooperative Commonwealth, is purported to be the "first comprehensive work in English on Socialism."<sup>6</sup> Gronlund explained Marxism in such a way that the average reader could comprehend the complex economic arguments and social alternatives presented by Marx. However, it was not until Bellamy published his book that socialism gained a wide following in the United States.

Edward Bellamy was a utopian novelist. In his book, Looking Backward, he depicted America in the future, demonstrating the hope of socialistic evolution of the American system as Gronlund had described. Socialism had been achieved through a peaceful progression rather than the violent struggle Marx had predicted.

In his book, Julian West awakes to find that he had been transported to the year 2000. The entire country has been socialized; all the problems of distribution of wealth and labor have been solved. The key to this new society is that everyone is organized into an Industrial army, where service to

<sup>4</sup> Thomas, op. cit., p. 196, from letter to Hamlin Garland, 1/24/05.

<sup>5</sup> ibid., from letter to Graham Wallas, 11/15/82.

<sup>6</sup> Hine, Robert, p.78.



the nation, patriotism, replaces self-service. The new worker is motivated in the same manner as soldiers are today. The workers are rewarded on the basis of effort, not occupation, and because all are placed where they can do their best, they are all rewarded equally. Bellamy believed strongly in man's potential for goodness; he felt that the chains of capitalist society restrained man from achieving that potential.

The American public was captivated by his book. It became an immediate success: in the first year 60,000 copies were sold and in the second, 100,000. Nationalist clubs and movements sprang up everywhere proclaiming Bellamy's ideal:

Haunted or otherwise disenchanted, millions of Americans- social workers, farmers, businessmen, bankers, and housewives- varosly confronted his arguement for a wholesale re-arrangement of their capitalistic society.

### III.

One such American was Ernest B. Gaston, a young reform-minded editor of the Surban Advocate in Des Moines, Iowa. Gaston had read both Progress and Poverty and Looking Backward and was struck with the need to reform the system. During the winter and spring of 1889 and 1890, he met with a number of like-minded individuals to discuss the social, economic, and political issues of the day. They called themselves the "Investigating club," and they sought a solution to the "social evils" that they percieved in the emerging system.<sup>8</sup> They were

<sup>7</sup> Thomas, op. cit., pp.262-263.

inclined towards socialist writings, being especially interested in Bellamy's ideas. Gaston wrote to Bellamy inviting him to come to speak; Bellamy declined but implored: "Do all you can for our common cause. . . . I am sure you can in no better way serve your country."<sup>9</sup> To them, the idea of starting a community was very appealing; they saw it as serving as a preview for the perfect state. Progress through politics seemed too slow to them. The community idea offered the possibility of immediately implementing their proposed reforms. So in June 1890, as a local newspaper described it, Ernest B. Gaston, Professor W.P. Macy, E.D. Smith, C.H. Mershon, and others:

met to see if they could not devise a plan to escape what they deemed the serious evils of the present system, and put into successful operation the better principles which had crystalized in their minds as a result of their organization.<sup>10</sup>

They named their colony the National Cooperative Company, and it was based heavily on Bellamy's ideas. It sought to replace "competitive industry with an economic system of cooperation."<sup>11</sup> From the beginning, Gaston, the NCC's secretary, was the driving force behind the venture. Gaston commented on his commitment to the colony to Macy in one of his letters:

Let me say for myself that I have devoted myself to this work. I believe our plan to be by far the better than any other that has been proposed, that it will be of the utmost advantage to us and a potent factor in settling the present difficulties between labor and capital. I will never give it up until I <sup>8</sup> Bellamy's Dream, unidentified newspaper, FSTCA.

<sup>9</sup> Edward Bellamy to EBG, 4/17/90, FSTCA.

<sup>10</sup> Bellamy's Dream.



see it given a fair trial.<sup>12</sup>

The NCC was modeled after the Kaweah Co-operative Commonwealth in Visalia, California, founded in 1885. It was based on the Gronlund's Cooperative Commonwealth and, later, absorbed Bellamy's ideas of Nationalism. Gaston was very interested in Kaweah and made an arrangement with Kaweah's secretary to exchange papers.<sup>13</sup> From the papers, he learned of G. W. Hansen's recent visit to Kaweah and wrote to Hansen for his impressions, saying that Kaweah was of interest to "all who are studying the social and industrial problems of the day."<sup>14</sup> Hansen responded with a glowing portrait of the physical abundance and beauty of Kaweah, giving Gaston his first taste of the possibilities of life in a utopia. Hansen described the fruit trees as "so loaded down with fruit that the limbs broke from the weight when not propped."<sup>15</sup> However, Hansen also found faults with their system; the people were handicapped by a lack of capital and thus, worked at a disadvantage, making results slow.

Learning from the experience of Kaweah, Gaston proposed that members be required to pay a larger part of the membership fee before they could reside on colony grounds so as to create a stronger economic base, and instead of choosing industry, as

<sup>11</sup> ibid.

<sup>12</sup> EBG to W.P. Macy, 9/17/90, FSTCA.

<sup>13</sup> Marten to EBG, 7/8/90, FSTCA.

<sup>14</sup> EBG to G.W. Hansen, 10/3/90, FSTCA.

<sup>15</sup> G.W. Hansen to EBG, 10/24/90, FSTCA.

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Kaweah had chosen timber, he focused on agriculture which could be self-supporting and not dependent on outside markets. However, this could not hide the fact that he borrowed a lot, taking the idea of time-check labor and the co-operative colony store. In general, the constitution of Kaweah appeared to be a blue print for the NCC.

Initially, Gaston recieved encouraging responses from people who desired to learn more about his proposed colony. There were a large number of Americans who like Gaston sought to escape th injustice of the emerging system. As E. A. Davividson commented to Gaston in his letter: "This present robbber system or skin game is far from agreeing with my idea of things."<sup>16</sup> The motives people generally had for wanting to join were those of bettering themselves and pursuing a cooperative system. A Mrs. Ward wrote: "If I could join your colony and better myself in any way I would most willingly do so besides am very much interested in the cooperative system."<sup>17</sup> Those who had studied the plans of other communities responnded very favorably to the NCC; as H. Olerich wrote:

I recieved and carefully read your prospectus. In my opinion it is better than any other of its kind I have examined.

My desire is to<sub>18</sub>recieve the benefit and freedom as soon as possible.

<sup>16</sup> E.A. Davividson to EBG, 8/31/90, FSTCA.

<sup>17</sup> Mrs. Ward to EBG, undated, FSTCA.

<sup>18</sup> H. Olerich to EBG, 9/3/90, FSTCA.

However, the number of people actually willing to join were few. In a letter to a prospective member, Gaston wrote, "There is a manifest tendency among most if not all to hang back and compel the few now interested to shoulder all the risks and responsibility."<sup>19</sup> The common reply that he recieved from many was similar to this one from R. W. Welsh: "First, my means are limited as I have property that I can't realize upon at present."<sup>20</sup> Gaston knew that the NCC could not be a success unless he found those interested who were "able and willing to pay their own way."<sup>21</sup> Their planned date of departure was October 15, 1890, and they hoped to settle in Lake Charles, Lousiana. However, as the date neared, it became clear that they did not have the monetary support or the members necessary to realize thier plan. At first, the date was postponed to November 1, and then indefinitely. Gaston had added two additional members to the founding four; however, this was not enough. Finally, in early 1891, the NCC died. Nevertheless, this experience would remain with Gaston and help him shape further ventures.

17.

Gaston's experience with the NCC in no way caused him to

<sup>19</sup> EBG to Charles M. Field, 9/17/90, FSTCA.

<sup>20</sup> R.W. Welsh to EBG, 10/21/90, FSTCA.

<sup>21</sup> EBG to E.W. Hess, 9/6/90, FSTCA.

give up his hope of living in a colony one day. In a letter to A. K. Owen, the founder of Topolobampo, a cooperative colony in Mexico, Gaston wrote that he was a "firm believer that all the healthful interests of humanity can be best subserved by 'Integral Cooperation'" and went further to say, "I am still determined as soon as my circumstances permit to 'seek refuge' in a cooperative society." Gaston, however, acknowledged his doubts about starting another colony, saying, "I am much more inclined to join one already established than attempt another."<sup>22</sup> Meanwhile, Gaston joined the Populist party which was quickly rising to prominence as a genuinely reformist third party alternative. Gaston was still very young and had time to re-group and study the alternatives.

During his effort to establish the NCC, Gaston had recieved criticism from some people; frequently, they offered their own advice about how the colony plan could be perfected. Gaston always listened attentively and then would try to justify his beliefs. He always welcomed debate and was willing to listen to new ideas, recognizing his youth and inexperience. In a letter to H. Olerich, Gaston admitted:

My experience on the land question is not as you infer extensive. I will be but 29 years old this month and have thought seriously upon this question but a short time.

Olerich had written to Gaston expressing his support for the NCC and had offered to present a series of lectures in Des Moines, one to be entitled "When will vacant land be free?"

<sup>22</sup> EBG to A.K. Owen, 5/31/91, FSTCA.

based on several authors including Henry George. Olerich believed that it was immoral to hold land vacant. Gaston responded to Olerich's argument with a measure of support:

While I am as firm a believer in Socialism in production and distribution against competition, as I am in "free natural opportunities," I readily perceive that Land Monopoly lies at the root of all our troubles. Henry George shows so clearly in Progress and Poverty that were land free no capitalist would employ any one to work for him for less than he would realize from his labor exerted on the best available lands.

Those who suffer and those who think must as soon as they gain sufficient strength abolish the rights of property in vacant land as chattel slavery was abolished.<sup>23</sup>

In one breath, Gaston described himself as both a socialist and a single taxer. This demonstrates his lack of doctrinal rigidity; he had an all encompassing outlook and seemed willing to embrace all the possibilities.

While some of the ideas of George fascinated him, Gaston still remained firmly committed to cooperation. Some of his early pleas had initially drawn the attention of single taxers: "No man shall be allowed to monopolize nature's resources and levy tribute on his fellow man for the opportunity to labor"<sup>24</sup>; however, often upon hearing Gaston's plans, they became uninterested. Robert H. Cowdrey, a doctrinaire single taxer, had been attracted in this manner, but later found the plans to be "too restrictive" adding, "I find it hard to become enthused over plans that in any way unnecessarily restrict or hamper the natural freedom of the individual."<sup>25</sup> This provoked an

<sup>23</sup> EBG to H. Olerich, 11/4/90.



interesting response from Gaston:

I am free to confess, however, that your objection is urged against just what has seemed to me all the time the very strongest point of our plan as compared with others, one after further study I must say that I am unable to see one point where personal liberty has been unnecessarily abridged or where it could be extended without such act doing violence to the fundamental principles of association and systemalization.<sup>26</sup>

Gaston did not seem to comprehend as of yet that the single tax would demand some fundamental alterations in his plans for cooperation.

Others responded to Gaston's proposed replacement of competition with cooperation. W.W. Meyers asked simply, "Did they see the dichotomy that clearly?"<sup>27</sup> Mottis Woodward went further to add:

I do not blame you a bit for wishing to avoid the sharp competition in life but after all it is one of the troubles we would miss very much if we were to lose it.<sup>28</sup>

In the following years, these thoughts and ideas would increasingly play a stronger role in Gaston's mind as he drifted closer to the ideals of the single tax.

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<sup>24</sup> R.W. Cowdrey to EBG, 7/23/90, FSTCA.

<sup>25</sup> Cowdrey to EBG, 8/2/90, FSTCA.

<sup>26</sup> EBG to Cowdrey, 8/18/90, FSTCA.

<sup>27</sup> Meyers to EBG, 7/30/90, FSTCA.

<sup>28</sup> Woodward to EBG, 8/25/90, FSTCA.



The Populist party was the largest democratic mass movement in the history of the United States. Its origins lay in the Farmers' Alliances, and it sought to challenge the new emerging corporate state. The Populists believed that "government had fallen disastrously behind the sweeping changes of industrial society, leaving the mass of people as helpless victims of out-moded rules."<sup>29</sup> It was animated by the idea of cooperation; its "strength and sense of purpose . . . was directly related to the strength and sense of purpose of the cooperative crusade that had created the reform movement."<sup>30</sup> The cooperative movement had been successful under the Farmers' Alliances, but now they were threatened, owing to the lack of access to credit. Hence, they felt compelled to enter the political arena and launch "a frantic campaign to wrest effective operating control of the American monetary system from the nation's commercial bankers and restore it, 'in the name of the whole people,' to the United States Treasury."<sup>31</sup>

Edward Bellamy, like many reformers, was attracted to the Populist party. In his newspaper, the New Nation, he described the Populists as "the most self-contained, statesmanlike and brave body of American citizens that has met to consider the state of the Union since the war." He believed that they were the forerunners of "a new order of things." Their demands "nationalization of the railroads, a subtreasury system, land

<sup>29</sup> Goodwyn, Lawrence, The Populist Moment, p.212.

<sup>30</sup> ibid., p. 183.

<sup>31</sup> ibid., p. 93.

reform, and equitable taxation- were all signposts on the road to a Nationalist utopia."<sup>32</sup>

Gaston was attracted to Populism by the same elements that Bellamy was; it appealed to his cooperative spirit. Gaston became active in the Iowa branch and it was here that he became acquainted with Professor James Bellangee. Bellangee was a strong supporter of the single tax. He had been the editor of Opinion and Outlook, a single tax journal published in Des Moines in 1890. Bellangee stimulated Gaston's interest in Henry George. Gaston re-read Progress and Poverty and became increasingly interested in the ideas of the single tax. While both men remained committed to the ideas of the Poulist party, the forces mounting against Populism were great. With the party failure to achieve the degree of success hoped for, Gaston became disillusioned with electoral politics and turned back to his idea of starting a colony.

## VI.

In 1893, Gaston renewed his correspondence with many of those who had been interested in his first communitarian effort, the NCC. His interest in starting a colony had been revived. He wrote to William Thaanum in August of 1893,

If this reaches you and you are still interested in cooperation I would like to hear from you. You will doubtlessly remember corresponding with me three years ago.<sup>33</sup>

<sup>32</sup> Thomas, op. cit., p.314.

By now, Gaston had put more thought into community building. He had made a thorough study of previous attempts and was prepared to launch one of his own again. He had written a pamphlet entitled "The Land Question and Social Experiment" which Hamlin Garland, editor of The Arena, hoped to publish in the spring of the next year.<sup>34</sup> He also had a clear vision of what he would like to do. While his first attempt had been imitative of other existing colonies, he now was ready to set forth on a fresh course, to explore new ground.

On January 4, 1894, a meeting was held in Des Moines at which Gaston read aloud his proposal for a new colony. All present agreed to the proposal and then decided to form a committee that would draw up the constitution of this new colony. Gaston proved also to be one of the dominant forces in shaping the constitution. On January 31, at their second meeting, the constitution was adopted. Finally, on February 7, the papers of incorporation were filed; the Fairhope Industrial Association was born.

## VII.

Gaston was Fairhope's principal architect, and in its plans he had merged ideas of cooperation with those of the single tax. While he believed firmly that cooperation could not be forced, he hoped to build a community in which

<sup>33</sup> EBG to Thaanum, 8/20/93, FSTCA.

<sup>34</sup> Garland to EBG, 11/18/93, FSTCA.

cooperation could be fostered. The name, Industrial Association, had strong cooperative connotations, being part of the language used by the earlier communitarians like Saint Simon and Fourier who had himself spoke of "the doctrine of Industrial Association."<sup>35</sup> Where Gaston's plan differed from previous ones was that he put the rights of individuals first: "We hold that individuals have certain natural, inherent and inalienable rights which society cannot possibly require any right to suspend or abrogate."<sup>36</sup>

His plan did not demand that basic human nature be altered, but instead took it into account, hoping to harness its powers. Man pursuing his own self-interest would benefit the community under the single tax because all improvements were to the benefit of the community; any increase in the land values would be absorbed by the community:

We have not been carried away by dreams of an ideal society from which selfishness was banished and men sought only the happiness and good of others.

We have sought to build for humanity as it is, not the worst, not the best- but plain every day average humanity seeking its own interest.<sup>37</sup>

Gaston simply wanted "to establish and maintain justice" because he believed that was the sole responsibility of "organised society."<sup>38</sup> He did not demand kindness or unselfishness from anyone because they were attributes that

<sup>35</sup> Bestor ,Arthur, "Evolution of the Socialist Vocabulary," The Journal of the History of Ideas, p. 284.

<sup>36</sup> "True Cooperative Individualism", Fairhope Courier, 3/1/95.

could only be volunteered. It was the failure to recognize these fundamental traits of mankind that had led to the failure of the preceding social experiments:

The framers of the constitution of the Fairhope Industrial Association have kept steadily in view two great laws of human nature and human rights: "All men seek to satisfy their desires with the least exertion" and "Every man has freedom to do all that he wills, provided he infringe not on the equal freedom of any other man..."

Ignoring the first, experimenters in community building have utterly failed to measure the dominant forces of human nature. Failing to recognize the second, they have substituted the tyranny of the community for that of individuals, and the last state, has been almost, if not quite, as bad as the first.<sup>39</sup>

In this manner, Gaston separated Fairhope from all previous attempts at community building in an effort to generate fresh interest. He did not want Fairhope to be associated with all the previous failures:

To the lack of proper recognition of these fundamental principles may be traced the multitude of failures of social experiments which have done so much to discourage reformers and to strengthen the position of those who insist that what is, is right and must continue.<sup>40</sup>

Gaston had learned the hard way from his experience with the NCC of the difficulty of attracting people willing to commit themselves.

#### VIII.

<sup>37</sup> ibid.

<sup>38</sup> ibid., 9/1/94.

<sup>39</sup> ibid., 3/1/95.

<sup>40</sup> ibid.



In Fairhope, all property would be owned by the community and leased to anyone who wanted it provided they paid a rent each year to the community; this rent represented the full use value of the land. By applying the single tax in this manner, Gaston hoped to eliminate "the land speculators, the usurers, the monopolists of public service, and all the other parasites who fatten upon industry," because he felt their elimination would generate far "wider opportunities for usefulness and greater possibilities of individual profit and enjoyment."<sup>41</sup>

At the same time, Fairhope provided for a measure of cooperation; Gaston believed that its members should get the "benefits of cooperation in matters of general concern."<sup>42</sup> The community was to operate and control all public utilities, and there was to be cooperative distribution in the form of a cooperative colony store. In his essay "True Cooperative Individualism", Gaston went to great lengths to defend his cooperative ideas. In regard to cooperative distribution, he argued that distribution could be served best by cooperation because "the trade for which men compete . . . is practically a fixed quantity," with competition only creating "wasteful duplication." He felt that cooperation in this manner could compliment the single tax and would definitely not interfere with it. These cooperative aspects were simple "measures of economy."<sup>43</sup>

These ideas of cooperation had carried over from his experience with the NCC and Populism. Other aspects were also



borrowed such as the initiative and the referendum. In general, Fairhope owed a lot to the experiences of the cooperative communities that had preceded it; it was not devoid of a historical precedent. It still had many aspects in common with other efforts in community building. Fairhope represented, just as all other colonies before it did, an effort to escape the unjust emerging society and enact its own remedies.

# IX.

Unlike the NCC, Fairhope achieved enough support to get established. In August of 1894, Baldwin county, Alabama was chosen as the site, and then on November 15, 1894, a group of twenty-eight assembled to commence their new life. Gaston had appealed to both Co-operators and single taxers alike despite the urging of those like Bellangee who wrote:

Gaston, I am more than ever convinced that we must take great pains to get single taxers only into it, otherwise we will wreck the thing with dissension.<sup>44</sup>

Gaston, however, was willing to accept anyone interested; he simply wanted to get enough support. He believed that all could receive benefit from the Fairhope plan, and that upon seeing this, anyone participating in it would be won over

<sup>41</sup> ibid.

<sup>42</sup> ibid.

<sup>43</sup> ibid., 2/1/95.

to the side of the single tax. Later, when the question of allowing non-members to use Fairhope land arose, Gaston stood on the side opposed to limiting Fairhope lands strictly to members. He did not believe that non-members could threaten the doctrinal purity of the colony because the membership, limited to those who understood the single tax, would be the ones deciding policy and electing officers. This was the only precaution necessary; on the other hand, all should have the equal right to be recipients of the Fairhope system of administration. Gaston recognized this as one of Fairhope's advantages:

Unlike most colony organizations, Fairhope does not exist solely to benefit those who can raise the amount of the membership fee, but to, as far as possible, help those who are willing to work under its rules, whether members or not.<sup>45</sup>

Gaston was a very practical man. Getting the colony functioning was what was important, and he was not going to make any restrictions that might hinder this goal. Once started, Fairhope began an evolutionary process, guided by Gaston's pragmatism. The colony was always open to change and discussion. It was prepared to make any alterations in its plans that were deemed necessary to promote its primary goals. Previous social experiments had been short lived owing to dissension and lack of support; Gaston hoped to avoid this. He imbued Fairhope with a dynamic nature that would allow it to survive.

<sup>44</sup> Bellangee to EBG, 7/16/94, FSTCA.

<sup>45</sup> Fairhope Courier, 12/1/98.

X.

In the spring of 1895, Fairhope underwent its first change. The cooperative colony store which Gaston had so laboriously defended and justified in "True Cooperative Individualism" was being abandoned. This alarmed many because the cooperative store was Fairhope's principal cooperative feature. Michael Flurscheim, a noted philanthropist and reformer, believed that the profit from the store could be best used to invest in land; if they did any less, they "certainly would not be the model colony the world so anxiously looks for."<sup>46</sup> The store had been operating at a loss; however, this was not due to its cooperative nature but was due to the fact that Fairhope did not have a wharf and thus, had to pay wharfage to its nearest competitor, increasing their costs.<sup>47</sup> Nonetheless, this was a frequently cited reason for abandoning the cooperative store. The real reason for this sudden shift in policy lay in the issue of support. Fairhope had recieved much criticism on this point in its plan from single taxers. There were some who feared, as George White did, "that socialism will prevail and the resulting dissensions break up the colony."<sup>48</sup>

While this reaction was quite extreme, there were a number

<sup>46</sup> Flurschiem to EBG, 4/15/95, FSTCA.

<sup>47</sup> Fairhope Courier, 11/15/98.

<sup>48</sup> White to EBG, 11/9/94, FSTCA.

of specific points where cooperative distribution was believed to be at fault. First of all, the requirement of an investment in the mercantile department as a condition for membership was seen by many as a violation of equal freedom, and it was a financial impossibility for others. Secondly, there was the fear that if the business failed, the association would be held liable, putting the homes of the members in danger. Finally, it was believed that the mercantile department could not be conducted without permanent capital; this requirement would put further demands on the membership and would be a movement in the direction of socialism. Gaston argued that the colony would be better served if such a store was organized within the association by those of its members who wished to participate in it.<sup>49</sup>

The store was bought out by the Mershon Brothers, Gaston's in-laws. For Gaston, this was an easy way out. He was able to drop part of the colony plan that had recieved much criticism, while at the same time the need of a colony store was satisfied and guaranteed by the fact that it was now his in-laws who would run the store in place of the colony. The cooperative colony store had served its purpose and now could be dropped.

The loss of the cooperative store, however, did not signal the end of cooperation at Fairhope. A strong core of cooperators still existed and some cooperative aspects remained in the plan. C. L. Coleman organized the Fairhope Exchange to replace the cooperative store; it gave Fairhoppers the

<sup>49</sup> Fairhope Courier, 5/15/95.

opportunity to exchange their products voluntarily. Throughout Fairhope's history members of the community worked together. The first road was built in a cooperative effort as were many other things. In the January 1, 1897 issue of the Courier, Gaston writes of systematic volunteer work saying that resident members agree to work from 8-12 am on each third Saturday of the month "on such public work in Fairhope that may be agreed upon, without further compensation than the enjoyment of the results of our labor and the satisfaction of having performed a public duty."<sup>50</sup> In general, there was a strong feeling of community in Fairhope, and it was this facet that attracted many.

Gaston himself continued to be a vocal supporter of voluntary cooperation. He frequently made appeals like this one:

If you are a "co-operator" and have a little capital, what better opportunity can you find to select a few- as many as you may to co-operate with you in establishing some of these industries on a co-operative basis. . . . Fairhope's doors are open to individualists and the co-operator and whenever two or more are satisfied that they could accomplish more, or be happier by co-operating, they have no need to ask permission of any one to do so.<sup>51</sup>

For Gaston, it was simply a matter of pragmatism. He felt that cooperators and single taxers could work together successfully because they both recognized the same pitfalls of the emerging society and were both interested in reforming it. He believed that cooperation was good as long as it was voluntary and did not infringe upon anyone's individual rights. In this form, it posed no threat to Fairhope.

<sup>50</sup> ibid., 1/1/97.



Furthermore, Gaston realized that if Fairhope was going to achieve his goal as a real model community, it would have to grow substantially. He lauded the efforts of such men as C.K. and F.L. Brown who had started a mill in Fairhope and later added a rice huller. He went to great length to demonstrate how the Fairhope House was an example of voluntary cooperation in the manner that it brought tourists to Fairhope. The supreme example of success of this nature was the Wharf. In general, if cooperators were willing to establish industries that were needed in Fairhope, Gaston supported them because their efforts would also benefit Fairhope.

This hope for the growth of the community carried with it the realization that the colony would need to procure more land for potential expansion. The Courier frequently ran announcements, trying to attract money for the land fund. While admitting "we do not need it" at the moment, Gaston exhorted, "we want it to provide homes for others and increase the area and population to be brought under the domination of our principles."<sup>52</sup> On the reverse side, there was constant agitation for new leaseholders; notices ran frequently advertising free land, open to anyone: "We want our lands occupied. We want people here: hence this generous offer."<sup>53</sup>

The reason for this attitude lay in the fact that as land

<sup>51</sup> ibid, 12/1/99.

<sup>52</sup> ibid., 11/15/98.

<sup>53</sup> ibid., 11/1/97.



became increasingly developed, its value would go up. This would be a boon for Fairhope because all land values were collected in form of the single tax; thus, this increase would go to the treasury allowing for more public services. In turn, installment of more public services would further stimulate development of the colony by making the colony more appealing; these public services would represent the bounties that could be had under the single tax.

Gaston led the faction that supported immediate installment of public services as a way to accelerate development of the colony. He sought financial support from outside arguing:

Fairhope affords the opportunity of securing immediately a very substantial share of the benefits for which so many earnest reformers have been<sup>54</sup> working so zealously in various parts of the country.

Fairhope success depended on such people as Joseph Fels who contributed substantial amounts of money towards the library, steamer, telephone system, and so forth. To those who replied like one Chicago man that Fairhope was a failure because it in fact had achieved very little, Gaston responded: "but never having indulged such extravagant anticipations and above all being disposed to do the best we can and rest content therewith, we shall go right along our self-appointed task."<sup>55</sup>

II.

<sup>54</sup> ibid, 12/1/97.

<sup>55</sup> ibid., 11/15/98.

Fairhope was not only interested in its own success but was generally interested in and supportive of the efforts of other colonies no matter what their beliefs. They recognized their shared interest in reforming the emerging system:

And notwithstanding our own differences of opinion to the wisest and most practical methods of reform work we cannot but feel the keenest interest and sympathy toward these contemporary efforts to "make good theories work."<sup>56</sup>

The Courier commented regularly on their progress; Fairhope respected any one who was willing to test "their medicines upon themselves." At the same time, people who had participated in some of the preceding social experiments wrote giving Fairhoppers support; for example, Mr R. Kobitzsh described his bad experiences at Topolobampo and applauded the efforts of Fairhope, pledging money to the land fund. Others, like Maria Howland, also formerly of Topolobampo, came to Fairhope, bringing valuable new insight from their experiences.

While being supportive of other attempts, the Courier often times used the discussion to demonstrate the merits of Fairhope. In one example, a Mr. Rose of Co-opolis wrote to the Courier describing how their cooperative venture had failed because of internal dissension, despite the fact that they recieved much support from the people living outside the colony. To this the Courier suggested that the support recieved from the outside was the "natural, voluntary co-operation of the single taxer- prompted by self interest on the

<sup>56</sup> ibid., 10/15/99.

part of all concerned, yet was helpful and satisfactory to all."<sup>57</sup> Nonetheless, Fairhope was pleased to have Mr. Rose come to visit: "We are anxious to meet him, swap experiences with him, we have experienced enough of the thorns which line the path of the reformer to fully sympathize with him."<sup>58</sup>

It was this very same interest that animated the Progressive league meeting each Sunday. On one occasion, the topic was "Human Rights Defined," an article from The Public. The discussion generated a controversy over the relative merits of socialism and the single tax, prompting many to ask what were the ultimate aims of socialism. This encouraged much interest in Fairhope, and the debate spilled over into the Courier. Beginning in the July 1, 1899 issue and running through the autumn, the paper ran a symposium entitled "What is Socialism?" asking people to write in their opinions. The paper solicited the opinion of notables on the subject. The responses recieved were very different.

On several occasions, the Courier took this as an opportunity to demonstrate the superiority of the single tax. This provoked N. O. Nelson to retaliate: "I think this is distinctly a case of the editor or critic or opponent setting up a straw man of his making, that he can easily demolish." From his experiences, Nelson had concluded "that the difference between Single Taxers and Socialists was not at all one of

<sup>57</sup> ibid., 1/1/97.

<sup>58</sup> ibid., 10/1/98.

principle but one of degree and expediency and detail methods."<sup>59</sup> These, however, did not seem to be the predominant views in Fairhope. The mood of Fairhope seemed to have changed since its founding. While the differences between the two systems had always existed, the fact that each had the same goal of reform had previously been stressed. Now, it seemed necessary to stress their differences.

The Ruskin Cooperative Association and Fairhope shared a special relationship. They were established in the same year and had always maintained correspondance. Ruskin, though, was founded on the ideas of Bellamy, very similar to Gaston's first colony, the NCC. C. L. Coleman, in the summer of 1898, went to visit Ruskin. After he returned, he wrote a detailed article and gave a lecture, giving a glowing picture of Ruskin.<sup>60</sup> Mrs. Howland, even, wrote a friend at Ruskin saying that if Fairhope was to break up, she would go there.<sup>61</sup> Nonetheless, the Courier found the Ruskin plan to be at fault. When the Courier heard that Ruskin was forced to sell its land in 1899, the Courier expressed great sympathy, but added: "personally we have no faith in their permanent success on the lines of their organization."<sup>62</sup> When Ruskin was finally dissolved in 1901, Fairhope invited interested members to come to Fairhope. The arrival of several families was hailed by the Courier. This new arrival, however, added a new voice to the cooperative faction of Fairhope and in the context of the new mood in Fairhope, a new possible voice of dissent.

Dissent was nothing new to Fairhope. From the outset,

Fairhope had recieved a lot of criticism from single taxers. It had provoked the Courier to make statements like: "gold-bug single taxers will not make good Fairhoppers," in reference to single taxers who in recoiling from extreme socialism had gone to the opposite pole, refusing to accept anything but the strict application of the single tax.<sup>63</sup> In the winter of 1895, Fairhope had been threatened by two prominent single taxers, Brokaw and Springer, who sought to wrest control of the colony from its original founders. They attempted to carry this out through proposed ammendments of the constitution; however, the ammendments were badly defeated and as the Courier reported, the following election "put the colony back in the hands of its friends."<sup>64</sup> The colony had also incurred problems with single taxers when they had tried to ellicit their support. In 1897, the Chicago Single Tax club offered to raise money for Fairhope; however, it could not be done without strings attached.

These attacks had been all from the outside and easily thwarted by Fairhope. In many ways, they had brought the Fairhope community closer together as they struggled along their path of reform. But in 1904, Fairhope was faced with a

<sup>59</sup> ibid., 9/15/99.

<sup>60</sup> ibid., 9/1/99.

<sup>61</sup> Letter in Fairhope Courier, 11/1/99.

<sup>62</sup> ibid., 9/1/99.

<sup>63</sup> ibid., 4/15/95.

<sup>64</sup> ibid., 4/1/96.



new type of dissent; one from the inside.

## Epilogue

The Fairhope Controversy stemmed from a dispute over the sudden increase of land rents, but it was representative of something far greater. The number of non-member lease holders had gradually increased over the years; now, they were stirred into action. With the sudden increase in land rents, they recognized that they were at the mercy of the colony. The Controversy absorbed the colony and brought into question the fundamental elements of the colony's plan. The dissenting faction represented the many cooperators that had come to Fairhope; they demanded a voice. The mood of Fairhope had changed since its founding; the sense of community had broken down, putting the cooperators on one side and the single taxers on the other. Fairhope had fallen victim to its liberal acceptance of leaseholders.

The objecting leaseholders challenged the validity of Fairhope because they felt Fairhope lacked vital elements of democracy. They petitioned the colony, demanding active participation in its affairs, but they met with little success. In 1907, they turned their attention to the idea of creating the municipality of Fairhope. This proposal offered a possible solution because it would offer a voice to the objecting leaseholders while still maintaining the purity of the colony. Both sides agreed; so in 1908, Fairhope became a



a town. To a large degree, this seemed to be what a large number of the lesses had always wanted. They did not share Gaston's ideal of creating a model of the administration of the single tax. They simply wanted a haven protected from the perceived injustices of the emerging system. They were happy with the single tax so long as it did not interfere with their lives, and they paid little interest to the working of the colony. However, this sudden increase in rents had demonstrated that the ideals of the colony were not the same as their own.

The creation of the municipality signaled a new change in the orientation of the colony. The municipality replaced the colony as the administrator of public services. This took a great burden off the colony's shoulders, but in so doing, it greatly diminished the role of the colony. It would now be impossible for the colony to be the great model of development possible under the single tax. The colony lost a great deal of its personality, but this all seemed necessary for its survival. From this point on, the colony's importance shifted to that of a great intellectual community. It became noted for such things as the Organic School established by Marietta Johnson. The hope that Fairhope could become the "the administration for a great cooperative society" as prophesied seemed past.<sup>65</sup>

<sup>65</sup> George, op.cit., p.456.

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